



STATE BOARD OF EQUALIZATION

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O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)

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Executive Director

October 5, 1988

No. 88/71

TO COUNTY ASSESSORS:

FINANCIAL CORPORATIONS

Each year, we invite county assessors to send a list of firms whose status as financial corporations or banks needs to be verified. A few county assessors have already submitted lists for verification. If you have accounts that need to be verified, this year's list should reach us by October 31, 1988. We will work with Franchise Tax Board to perform the verification and notify assessors of the results.

In preparing your list, please consider the following:

1. Submit the exact corporate name. Sometimes holding companies, subsidiaries, and operating divisions have names that are almost identical. It is very common that a corporation qualifies as a bank or financial corporation but its holding company or subsidiary does not. Division names or other DBAs are meaningless; status as a "general" or a "financial" is determined for the corporation as a whole, not division-by-division. A non-corporate entity (partnership or individual) is never a "financial corporation" even though the entity's or person's business activity is financial.
2. Submit the corporate number issued by the California Secretary of State or equivalent number issued by the Franchise Tax Board. The corporate number is not absolutely essential, but it is very helpful to the Franchise Tax Board and it ensures that the correct account is examined. The number can be obtained from a copy of the taxpayer's Franchise Tax return or by requiring the taxpayer to complete an affidavit that the corporation qualifies as a financial corporation (example enclosed).
3. Submit the corporation mailing address if available. The mailing address is useful in some cases, but may be omitted. Please direct your list to Business Property Technical Services, Assessment Standards Division, P.O. Box 942879, Sacramento, CA 94279-0001.

The enclosed sample affidavit is useful for obtaining the information for the verification list. The affidavit is not Board-prescribed, so you may revise it to suit the needs of your office.

If the corporation files this type of affidavit we suggest the corporation be considered a bank or financial corporation (exempt from personal property assessment) unless there are other reasons to believe the corporation does not qualify. Our reasoning is that it is usually much easier to enroll escape assessments (against firms subsequently found to be general corporations) than it is to cancel assessments and refund taxes (when it is established that firms do qualify as banks or financials).

As a reminder again this year, please refer to Revenue and Taxation Code Section 235. The section reads as follows:

"235. For the purposes of this division, the lessee of tangible personal property owned by a bank or financial corporation shall be conclusively presumed the owner of that property."

Section 235 makes it clear that leased personal property owned by a qualifying bank or financial corporation is assessable to the lessee when said property is leased on the lien date. The effective date of Section 235 is January 1, 1987.

Please contact the Business Property Technical Services Section of this division if you have questions or comments concerning verification of banks or financial corporations.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:jab
Enclosure

Assessor of _____ County, California
For assistance, telephone _____

AFFIDAVIT FOR BANK OR FINANCIAL CORPORATION EXEMPTION

This form is an affidavit for exemption of personal property for banks and financial corporations taxed under the provisions of Section 23186 of the Revenue and Taxation Code. (See also Sections 23182 and 23183 of the Revenue and Taxation Code.) To receive full exemption from property tax assessment of personal property, file this affidavit with the Assessor by _____.

Make necessary corrections to the name and mailing address.

NAME
STREET
CITY
STATE and ZIP CODE

1. _____ states:
(Name of Affiant)

2. That as _____
(Title)

3. of the _____,
(Corporate Name)

that the above-named corporation is a bank ☐ or financial corporation ☐
(check one) and is subject to the tax rates specified by Section 23186 of the Revenue and Taxation Code and is therefore exempt from personal property taxation as provided by Section 23182 of the Revenue and Taxation Code.

4. The Corporation Number issued by the California Secretary of State for the above-named corporation is: _____

5. Does this corporation engage in the leasing of business personal property to others? ☐ ☐
Yes No

6. ☐ ☐ Indicates whether additional information is attached to this affidavit.
Yes No

7. Person to contact during normal business hours for additional information.

Name and Title _____

Address _____

_____ Telephone () _____

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing affidavit and any accompanying schedules and statements is/are true, correct, and complete to the best of my knowledge and belief.

(Signature of Person Making Claim)

(Date)

This statement is subject to audit	This exemption claim is a public record and is subject to public inspection.
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INSTRUCTIONS

A. General Instructions

The purpose of this affidavit is to inform the assessor that the assessee is a "bank" or a "financial corporation" within the meaning of the Revenue and Taxation Code. The franchise tax imposed on general corporations in California is specified in Section 23151 of the Code, and Section 23186 of the Code specifies the franchise tax rate for banks and financial corporations.

If the firm is not subject to the franchise tax rate specified in Section 23186 of the Revenue and Taxation Code, the firm is not a "bank" or "financial corporation," and you should not complete this form.

B. Affidavit Instructions

Correct the name and mailing address if necessary.

1. Type or print the name of the person who is signing the affidavit.
2. Type or print the title of the person who is signing the affidavit.
3. Type or print the full name of the corporation which qualifies as a bank or financial institution.
4. Type or print the corporate number issued by the California Secretary of State. If this number has not been issued, type or print the equivalent number issued by the Franchise Tax Board.
5. Check appropriate box.
6. If other information is attached, check the "Yes" box. For example, if the bank or financial corporation owns personal property in this county under another name, you should attach a statement with relevant details.
7. Type or print the name, title, address, and telephone number (including area code) of the person to contact during normal business hours for additional information.